

Message Text

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71

ACTION ARA-20

INFO OCT-01 ISO-00 AID-20 CIAE-00 EB-11 FRB-02 INR-10

NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12 SPC-03 CIEP-02

LAB-06 SIL-01 OMB-01 SS-20 DRC-01 /118 W

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P 292025Z MAR 74

FM AMCONSUL MEDELLIN

TO RUEHDC USDOC WASHDC PRIORITY

INFO SECSTATE WASHDC 777

AMEMBASSY BOGOTA

AMCONSUL CALI

UNCLAS MEDELLIN 0102

E.O. 11652 N/A

TAGS: BEXP, CO, ETRD

SUBJECT: FOREIGN BUYER GROUP: MEDELLIN PUBLIC WORKS SECRETARY

TRAVELLING TO US IN RELATION TO FOREIGN GOVERNMENT
TENDER

PASS: EXIM-BANK

REF: MEDELLIN 0086, 0100

SUMMARY: TWO CITY OF MEDELLIN OFICIALS ARE TRAVELLING TO THE US APRIL 6-19 TO PURSUE THE PURCHASE OF US* 2.8 MILLION WORTH OF VEHICLES, TRUCKS, BULLDOZERS AND OTHER HEAVY EQUIPMENT FOR MEDELLIN. THE PURCHASE IS FULLY CLEARED BY THE GOC. THEIR TRIP IS BEING SPONSORED BY MANUFACTURERS LISTED IN PARA 5, BUT THE VISITORS ARE EAGER TO VISIT OTHER POTENTIAL SUPPLIERS. SUPPLIERS OF OTHER COUNTRIES ARE ALSO INTERESTED IN THIS TENDER. ACTION REQUESTED: THAT THE DEPT OF COMMERCE ACTIVELY ASSIST THE VISITORS IN AN EFFORT TO SECURE THIS IMPORTANT EXPORT OPPORTUNITY FOR US SUPPLIERS.
END SUMMARY

1. CITY OF MEDELLIN SECRETARY OF PUBLIC WORKS CESAR

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PIEDRAHITA AND HIS TOP DIVISION DIRECTOR ARMANDO DE LA ROCHE

ARE TRAVELLING TO THE US APRIL 6-19 WITH THE PURPOSE OF FURTHERING THE GOVERNMENT TENDER DESCRIBED IN THE REFERENCES.

2. THIS GOVERNMENT TENDER IS THE MOST IMPORTANT BY THE CITY OF MEDELLIN IN AT LEAST THE PAST TEN YEARS: IN EFFECT IT AMOUNTS TO A MASSIVE REPLACEMENT OF THE CITY S PUBLIC WORKS ROLLING STOCK AND EQUIPMENT. AS DETAILED IN MEDELLIN 0086, THE TENDER INVOLVES THE PURCHASE OF 44 JEEP-TYPE VEHICLES, 20 PICK-UP TRUCKS, 30 PANEL TRUCKS, 66 TRUCK CHASIS, 20 MOTORCYCLES, 9 BULLDOZERS, AND NUMEROUS OTHER SHOVELS, TRACTORS, LOADERS AND OTHER HEAVY EQUIPMENT. THE ESTIMATED VALUE OF THE TENDER IS 70 MILLION PESOS OR 2.8 MILLION DOLLARS.

3. SECRETARY OF PUBLIC WORKS PIEDRAHITA TOLD THE CONSUL THAT THE CITY HAS ALL THE NECESSARY OFFICIAL AND LEGAL APPROVALS AT THE DEPARMENTAL AND NATIONAL GOVERNMENT LEVELS TO UNDERTAKE THE PESO AND DOLLAR INDEBTEDNESS&HE PROMISED TO SEND COPIES OF THE DOCUMENTS TO THE CONSULATE. WITH REGARD TO FINANCING, THE CITY IS TALKING WITH SEVERAL COLOMBIAN BANKS CONCERNING THE PESO FINANCING, AND THE COLOMBIAN BANKS SEE NO DIFFICULTY IN ARRANGING DOLLAR FINANCING FROM US CORRESPONDENTS. SPECIFICALLY, THE CITY HAS TALKED WITH THE BANCO COMERCIAL ANTIOQUE#O, WHOSE CORRESPONDENTS IN THE US INCLUDE MANUFACTURERS HANOVER TRUST, BANKERS TRUST, ALLIED BANK INTERNATIONAL, CONTINENTAL BANK AND SECURITY PACIFIC& WITH THE LOCAL BRANCH OF FIRST NATIONAL CITY BANK& WITH THE BANCO INDUSTRIAL COLOMBIANO, WHOSE CORRESPONDENTS IN THE US INCLUDE BANK OF AMERICA, CHEMICAL BANK, MARINE MIDLAND AND BANKER TRUST, AND WITH THE BANCO GRANCOLOMBIANO, WHOSE CORRESPONDENT INCLUDE CHASE MANHATTAN, B OF A, CONTINENTAL AND ROYAL BANK.

4. THE ONLY LIMITING CONDITION SET BY THE DOCUMENTS AUTHORIZING THE CITY OF MEDELLIN TO INCUR THIS INDEBTEDNESS IS THAT THE FINANCING TERM CANNOT BE LESS THAN FOUR YEARS AND THE RATE OF INTEREST IS LEFT TO BE DETERMINED BY COMPETITIVE CONDITIONS.

5. PIEDRAHITA AND DE LA ROCHE S ITINERARY STANDS AS FOLLOWS AT PRESENT:
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APRIL 6-10: CHICAGO, PEORIA AND AURORA--VISIT TO CATERPILLAR AND BARBER-GREEN FACTORIES

10-12: MILWAUKEE-INSTALLATIONS OF P AND H

12-13: FORT WAYNE--INSTALLATIONS OF INTERNATIONAL

HARVESTER

14-15: COLUMBUS AND MARION--VISIT INSTALLATIONS
OF HUBER INC.

15-16: NEW YORK--OPEN

17-19: MIAMI--OPEN

6. THE COLOMBIANS' TRIP IS BEING PAID FOR BY THE COMPANIES NAMED IN THE ITINERARY. THEY TOLD THE CONSUL THAT THEY HAVE NO PURCHASE COMMITMENTS WITH THE ABOVE FIRMS OR, INDEED, COMMITMENTS TO PURCHASE IN THE US. THEY SAID EUROPEAN AND JAPANESE FIRMS ARE INTERESTED IN VARIOUS PARTS OF THE PACKAGE. THE COLOMBIANS SAID THEY WOULD WELCOME OPPORTUNITIES TO VISIT OTHER FIRMS IN THE US, INDICATING THAT THEY PARTICULARLY HAVE A LOT OF SCHEDULING FLEXIBILITY APRIL 15-19. IT IS POSSIBLE THEY WOULD BE WILLING TO EXTEND THEIR VISIT TO ACCOMMODATE INTERESTED FIRMS.

7. THE CONSUL SUGGESTED THAT THE TWO OFFICIALS CARRY WITH THEM OFFICIAL COPIES OF THE TERMS AND SPECIFICATIONS OF THE TENDER WHICH COST 500 PESOS (APPROXIMATELY US\$20) EACH. THE CONSUL ALSO TOLD THEM HE WOULD ISSUE THEM COMMERCIAL LETTERS OF INVITATION AND WOULD ATTEMPT TO ARRANGE ACTIVE DEPARTMENT OF COMMERCE SUPPORT FOR THEIR VISIT, GIVEN THE IMPORTANT EXPORT OPPORTUNITY WHICH THIS GOVERNMENT TENDER REPRESENTS.

8. ACTION REQUESTED: THAT THE DEPARTMENT OF COMMERCE UTILIZE APPROPRIATE RESOURCES TO BRING THIS GOVERNMENT TENDER AND THE VISIT OF THE MEDELLIN OFFICIALS TO THE ATTENTION OF RELEVANT US SUPPLIERS AND TO ARRANGE ADDITIONAL CALLS AND VISITS TO SUPPLIERS FOR THE VISITORS. THE VISITORS ARE PARTICULARLY

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AVAILABLE DURING THE NEW YORK AND MIAMI PORTIONS OF THE SCHEDULE. BOTH OFFICIALS SPEAK ENGLISH.

9. PLEASE ADVISE THE CONSULATE OF DEVELOPMENTS. THE CONSULATE WILL BE PLEASED TO PROVIDE BY CABLE ANY ADDITIONAL INFORMATION.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TRUCKS, TRADE VISITS, INVESTMENT OPPORTUNITIES, PROPOSALS (BID)
Control Number: n/a
Copy: SINGLE
Draft Date: 29 MAR 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974MEDELL00102
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740069-0850
From: MEDELLIN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t1974034/aaaaadlj.tel
Line Count: 161
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ARA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: MEDELLIN 0086, 0100
Review Action: RELEASED, APPROVED
Review Authority: shawdg
Review Comment: n/a
Review Content Flags:
Review Date: 12 JUL 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <12 JUL 2002 by elbezefj>; APPROVED <12 DEC 2002 by shawdg>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: FOREIGN BUYER GROUP: MEDELLIN PUBLIC WORKS SECRETARY TRAVELLING TO US IN RELATION TO FOREIGN GOVERNMENT
TAGS: BEXP, ETRD, CO, US
To: COM
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005